SPLOS/WP.17

April 2002

Original: English

**Meeting of States Parties**
**Twelfth Meeting**
New York, 16-26 April 2002

# Financial Regulations of the International Tribunal for the Law of the Sea

**Working paper prepared by the Secretariat, presenting a comparative table of the Financial Regulations of the Tribunal, the relevant financial rules and regulations of the United Nations and those of the International Seabed Authority***

## Contents


| | Page |
|---|---|
| Introduction | 3 |
| Regulation 1. Applicability | 4 |
| Regulation 2. Financial period | 6 |
| Regulation 3. The budget | 7 |
| Regulation 4. Appropriations | 11 |
| Regulation 5. Provision of funds | 15 |
| Regulation 6. Funds | 21 |
| Regulation 7. Other income | 23 |
| Regulation 8. Custody of funds | 25 |
| Regulation 9. Investment of funds | 26 |
| Regulation 10. Internal control | 27 |
| Regulation 11. The accounts | 29 |


* Compilation and analysis of the information required for the preparation of the working paper, as well as the advancement of the dates for the Twelfth Meeting of States Parties from May to April 2002, resulted in the delay of its submission.

02-31405 (E)

Regulation 12. Audit ..... 31

Regulation 13. Decisions involving expenditures ..... 33

Regulation 14. General provisions ..... 34

Annex to the Financial Regulations

Additional terms of reference governing the audit of the International Tribunal for the Law of the Sea ..... 37

## Introduction

The present document was prepared by the Secretariat at the request of the Eleventh Meeting of States Parties to the United Nations Convention on the Law of the Sea. At that Meeting, and during the discussion of the Financial Regulations of the Tribunal (SPLOS/WP.14), it was suggested that the preparation of a comparative table among the Financial Regulations of the Tribunal as contained in document SPLOS/WP.14, the Financial Regulations and Rules of the United Nations and the Financial Regulations of the International Seabed Authority would greatly facilitate the work of the Meeting of States Parties in this regard.

The Financial Regulations of the Tribunal had originally been submitted to the Ninth Meeting of States Parties for consideration (see SPLOS/36). It may be recalled that document SPLOS/WP.14 had been prepared in response to the request of the Tenth Meeting of States Parties to the Secretariat and the Registry of the Tribunal to take into account the various proposals and the outcome of the discussions during the Ninth and Tenth Meetings in respect of document SPLOS/36. SPLOS/WP.14 also incorporated changes that were necessitated by proposals of delegations at the Ninth and Tenth Meetings.

The present document, while comparing the Financial Regulations of the Tribunal as contained in SPLOS/WP.14, retains all the above-mentioned changes to SPLOS/36. For the sake of convenience, the following markings that denote the changes have also been maintained:

Agreed additions to the text are indicated in **bold**;

Agreed deletions to the text are ~~crossed out~~;

Proposals to insert or replace text are indicated in **[bold in square brackets]**. Proposals to replace text are positioned after text in [square brackets];

Proposals to delete text are indicated by *[~~italics strikethrough in square brackets~~]*;

Proposals to delete text within another proposal are indicated in **[~~bold strikethrough in square brackets~~]**;

Dots "..." have been inserted, where appropriate, to avoid repetition of text.

## Financial Regulations of the Tribunal

*The Meeting of States Parties*,

*Recalling* the adoption by the International Tribunal for the Law of the Sea of its Financial Regulations on 8 October 1998,

*Approves* the following amended Financial Regulations to govern the financial administration of the International Tribunal for the Law of the Sea.

| Draft Financial Regulations of the International Tribunal for the Law of the Sea (SPLOS/WP.14) | Financial Regulations of the United Nations (ST/SGB/Financial Rules/1/Rev.3 (1985) | Financial Regulations of the International Seabed Authority |
|---|---|---|
| REGULATION 1<br>Applicability | ARTICLE I. APPLICABILITY | |
| 1.1 These Regulations shall govern the financial administration of the International Tribunal for the Law of the Sea. | Regulation 1.1: These Regulations shall govern the financial administration of the United Nations, including the International Court of Justice. | 1.1 These Regulations shall govern the financial administration of the International Seabed Authority. |
| 1.2 For the purposes of these Regulations: | Rule 101.2<br>For the purpose of these Rules: | 1.2 For the purpose of these Regulations: |
| (a) "Committee on Budget and Finance" means the Committee established as such by the Tribunal; | (a) "Advisory Committee" shall mean the Advisory Committee on Administrative and Budgetary Questions. | N/A |
| (b) "Convention" means the United Nations Convention on the Law of the Sea of 10 December 1982 together with the Agreement of 29 July 1994 relating to the implementation of Part XI of the United Nations Convention on the Law of the Sea; | N/A | (c) "Convention" means the United Nations Convention on the Law of the Sea of 10 December 1982 |
| (c) "Meeting of States Parties" means the Meeting of States Parties to the Convention; | N/A | N/A |
| (d) "Registrar" means the Registrar of the International Tribunal for the Law of the Sea; | N/A | N/A |
| (e) "Rules" means the Rules of the Tribunal; | N/A | N/A |
| (f) "Statute" means the Statute of the International Tribunal for the Law of the Sea, Annex VI to the Convention. | N/A | N/A |

| Draft Financial Regulations of the International Tribunal for the Law of the Sea (SPLOS/WP.14) | Financial Regulations of the United Nations (ST/SGB/Financial Rules/1/Rev.3 (1985) | Financial Regulations of the International Seabed Authority |
|---|---|---|
| **[(g) "Finance Committee of the States Parties" means the committee of experts established by the Meeting of States Parties to examine any administrative, financial and budgetary questions of the Tribunal].** [1] | N/A | N/A |

| Draft Financial Regulations of the International Tribunal for the Law of the Sea (SPLOS/WP.14) | Financial Regulations of the United Nations (ST/SGB/Financial Rules/1/Rev.3 (1985) | Financial Regulations of the International Seabed Authority |
|---|---|---|
| REGULATION 2<br>Financial period<br><br>2.1 The financial period shall consist of two consecutive calendar years, beginning with the year [2002] **[specified by the States Parties].** [2] Until then the financial period shall consist of one calendar year. | ARTICLE II. THE FINANCIAL PERIOD<br><br>Regulation 2.1: The financial period shall consist of two consecutive calendar years, the first of which shall be an even year. | Regulation 2<br>Financial Period<br><br>2.1 The financial period shall consist of two consecutive calendar years. |

| Draft Financial Regulations of the International Tribunal for the Law of the Sea (SPLOS/WP.14) | Financial Regulations of the United Nations (ST/SGB/Financial Rules/1/Rev.3 (1985) | Financial Regulations of the International Seabed Authority |
|---|---|---|
| REGULATION 3<br>The budget | ARTICLE III. THE PROGRAMME BUDGET | Regulation 3<br>The Budget |
| 3.1 The draft budget for each financial period shall be prepared by the Registrar. | Regulation 3.1: The proposed programme budget for each financial period shall be prepared by the Secretary-General. | 3.1 The proposed budget for each financial period shall be prepared by the Secretary-General. |
| 3.2 The draft budget shall cover income and expenditures for the financial period to which they relate and shall be presented in United States dollars.[3] | Regulation 3.2: The proposed programme budget shall cover income and expenditures for the financial period to which they relate and shall be presented in United States dollars. | 3.2 The proposed budget shall cover income and expenditures for the financial period to which they relate and shall be presented in United States dollars. |
| 3.3 The draft budget shall be divided into parts, sections and, as appropriate, programme support. It shall be accompanied by such information, annexes and explanatory statements as may be requested by or on behalf of the Meeting of States Parties, including a statement on the main changes in comparison with the budget of the previous financial period, **[performance reports for previous financial periods that are closed]** [4] and such further annexes or statements as the Registrar may deem necessary and useful. | Form of the proposed programme budget<br><br>Regulation 3.3: The proposed programme budget shall be divided into parts, sections and programmes. Programme narratives shall set out subprogrammes, programme elements, output and users. The proposed programme budget shall be accompanied by such information annexes and explanatory statements as may be requested by or on behalf of the General Assembly, including a brief statement on the main changes in the programme content in comparison with the previous biennium, and such further annexes or statements as the Secretary-General may deem necessary and useful. | 3.3 The proposed budget shall be divided into parts and sections and, when appropriate, programmes. The proposed budget shall be accompanied by such information annexes and explanatory statements as may be necessary for the consideration of the budget, including a statement on the main changes in the content in comparison with the previous financial period, as well as its programmatic contents where applicable, and such further annexes or statements as the Secretary-General may deem necessary and useful. |
| 3.4 The Registrar shall submit the draft budget for the following financial period to the Committee on Budget and Finance, [before the end of February of the year] **[at least ten weeks before the commencement of the Meeting of States Parties at which it is to be considered.]** [5] **[at least [six]** [6] **[twelve] weeks prior to the opening of the Meeting of States** | Regulation 3.4: The Secretary-General shall, in the second year of a financial period, submit his proposed programme budget for the following financial period to the regular session of the General Assembly. This proposed programme budget shall be transmitted to all Member States at least five weeks prior to the opening of that regular session of the General Assembly. | 3.4 The Secretary-General shall, in the second year of a financial period, submit his proposed budget for the following financial period to the Council, which shall submit it to the Assembly, together with its recommendations thereon. The Secretary-General shall transmit his proposed budget to the members of the Finance Committee at least forty-five days prior to the meeting of the |

| Draft Financial Regulations of the International Tribunal for the Law of the Sea (SPLOS/WP.14) | Financial Regulations of the United Nations (ST/SGB/Financial Rules/1/Rev.3 (1985) | Financial Regulations of the International Seabed Authority |
|---|---|---|
| **Parties in the year]** [7] preceding the financial period for examination. The Committee on Budget and Finance shall transmit the draft budget proposed by the Registrar to the Tribunal, with its comments and recommendations. | | Finance Committee at which the proposed budget is to be considered. The proposed budget shall be transmitted to all members of the Authority at least forty-five days prior to the opening of the session of the Council and the Assembly. |
| 3.5 The Tribunal shall consider and approve the draft budget for the following financial period. The proposed budget as approved by the Tribunal **[Together with the recommendations of the Finance Committee of States Parties thereon,]** [8] shall be submitted to **[all States Parties at least [forty days] [six weeks]** [9] **prior to the opening of]** [10] the Meeting of States Parties for consideration and adoption. | Regulation 3.6: The Advisory Committee shall prepare a report to the General Assembly on the programme budget proposed by the Secretary-General. This report shall be transmitted to all Member States at the same time as the proposed programme budget. The report, or an addendum to it, shall contain the recommendations of the Advisory Committee concerning the statement of the Secretary-General on the programme budget implications of the recommendations of the Committee for Programme and Co-ordination. | 3.5 The Finance Committee shall prepare a report for the consideration of the Council on the budget proposed by the Secretary-General, containing the recommendations of the Finance Committee. |
| 3.6 Supplementary budget proposals, **[as approved by the Tribunal]** [11] shall be submitted by the Registrar [whenever necessary, and to the extent possible, with respect to the current financial period] **[if exceptional circumstances make this necessary].** [12] They shall be prepared [and as far as possible submitted in accordance with the procedure set out in this regulation] **[in a form consistent with the approved budget. The provisions of these Regulations shall be applicable to the proposed supplementary budget. Decisions of the Meeting of States Parties on the supplementary budget proposed by the [Registrar] [Tribunal]** [13] **[shall be based on] [will take into account]** [14] **the recommendations of the Finance Committee of the States Parties].** [15] | *Rule 103.6*<br>Revised programme budget proposals may be submitted in respect of the ensuing financial period, as necessary, in the following instances:<br><br>(a) Those for which approval is required as a matter of urgency in the interests of peace and security;<br><br>(b) Those in respect of activities which the Secretary-General certifies to be of the highest urgency and which could not have been foreseen at the time the initial programme budget proposals were prepared;<br><br>(c) Those in respect of decisions of the Security Council, the Economic and Social Council or the Trusteeship Council; | 3.6 The Council shall consider the report of the Finance Committee and submit the proposed budget to the Assembly, with any recommendations. The Assembly shall consider and approve the budget for the following financial period submitted by the Council, on the understanding that the budget for the financial period will be appropriated annually in accordance with the Convention. |

| Draft Financial Regulations of the International Tribunal for the Law of the Sea (SPLOS/WP.14) | Financial Regulations of the United Nations (ST/SGB/Financial Rules/1/Rev.3 (1985) | Financial Regulations of the International Seabed Authority |
|---|---|---|
| | (d) Those in respect of decisions taken by the General Assembly either without reference to a Main Committee or on the recommendation of such a Committee;<br><br>(e) Those mentioned in the initial programme budget proposals as items in respect of which later submissions would be made;<br><br>(f) Those involving changes in expenditures associated with inflation and currency fluctuations which could not have been foreseen or projected. | |
| | Regulation 3.8: Supplementary programme budget proposals may be submitted by the Secretary-General whenever necessary. | 3.8 Supplementary budget proposals may be submitted by the Secretary-General if exceptional circumstances make this necessary.<br><br>3.9 Supplementary budget proposals shall be prepared in a form consistent with the approved budget. The provisions of these Regulations shall be applicable to the proposed supplementary budget to the extent possible. Decisions of the Council and the Assembly on the supplementary budget proposed by the Secretary-General shall take into account the recommendations of the Finance Committee. |
| 3.7 The Registrar may **[, with the approval of the Tribunal,]** [16] enter into commitments for future financial periods, provided that such commitments: | Regulation 3.10: The Secretary-General may enter into commitments for future financial periods, provided that such commitments: | 3.10 The Secretary-General may enter into commitments for future financial periods, provided that such commitments do not affect the current budget and: |

| Draft Financial Regulations of the International Tribunal for the Law of the Sea (SPLOS/WP.14) | Financial Regulations of the United Nations (ST/SGB/Financial Rules/1/Rev.3 (1985) | Financial Regulations of the International Seabed Authority |
|---|---|---|
| (a) Are for activities which have been approved by the Meeting of States Parties and are expected to continue beyond the end of the current financial period; or | (a) Are for activities which have been approved by the General Assembly and are expected to continue beyond the end of the current financial period; or | (a) are for activities which have been approved by the Council or the Assembly and are expected to continue beyond the end of the current financial period; or |
| (b) Are authorized by specific decisions of the Tribunal acting with the prior approval of the Meeting of States Parties. | (b) Are authorized by specific decisions of the Assembly. | (b) are authorized by specific decisions of the Council or the Assembly. |

| Draft Financial Regulations of the International Tribunal for the Law of the Sea (SPLOS/WP.14) | Financial Regulations of the United Nations (ST/SGB/Financial Rules/1/Rev.3 (1985) | Financial Regulations of the International Seabed Authority |
|---|---|---|
| REGULATION 4<br>Appropriations | ARTICLE IV. APPROPRIATIONS | |
| 4.1 The appropriations adopted by the Meeting of States Parties shall constitute an authorization for the [Registrar] **[Tribunal]** [17] to incur obligations and make payments for the purposes for which the appropriations were adopted and up to the amounts adopted. | Regulation 4.1: The appropriations voted by the General Assembly shall constitute an authorization to the Secretary-General to incur obligations and make payments for the purposes for which the appropriations were voted and up to the amounts so voted. | 4.1 The appropriations voted by the Assembly shall constitute an authorization to the Secretary-General to incur obligations and make payments for the purposes for which the appropriations were voted and up to the amounts so voted. |
| 4.2 Appropriations shall be available for obligation during the financial period to which they relate. | Regulation 4.2: Appropriations shall be available for obligation during the financial period to which they relate. | 4.2 Appropriations shall be available for obligations during the financial period to which they relate. |
| 4.3 Appropriations shall remain available for twelve months following the end of the financial period to which they relate to the extent that they are required to [~~discharge obligations in respect of goods supplied and services rendered in the financial period and to~~] [18] liquidate any other outstanding legal obligation of the financial period. [Any unused balance of the appropriations shall be surrendered.] **[The balance of the appropriations remaining unobligated at the close of the financial period, after deducting therefrom any contributions from member States relating to that financial year which remain unpaid, shall form part of any cash surplus of the budget and shall be treated in accordance with regulation 4.4bis.]** [19] **[The balance of the appropriations remaining unobligated at the close of the financial period, after deducting therefrom any contributions from member States which remain unpaid, shall form part of any cash surplus of the budget and shall be** | Regulation 4.3: Appropriations shall remain available for twelve months following the end of the financial period to which they relate to the extent that they are required to discharge obligations in respect of goods supplied and services rendered in the financial period and to liquidate any other outstanding legal obligation of the financial period. The balance of the appropriations shall be surrendered. | 4.3 Appropriations shall remain available for twelve months following the end of the financial period to which they relate to the extent that they are required to discharge obligations in respect of goods supplied and services rendered in the financial period and to liquidate any other outstanding legal obligation of the financial period. The balance of the appropriations shall be surrendered. |

| Draft Financial Regulations of the International Tribunal for the Law of the Sea (SPLOS/WP.14) | Financial Regulations of the United Nations (ST/SGB/Financial Rules/1/Rev.3 (1985) | Financial Regulations of the International Seabed Authority |
|---|---|---|
| **treated in accordance with regulation 4.4bis.]** [20] | | |
| **4.4** At the end of the twelve-month period provided **for** in regulation 4.3, the then remaining **unspent** balance of ~~any~~ appropriations retained [will be surrendered. At that time, any unliquidated obligations of the financial period in question shall be cancelled or, where the obligation remains a valid charge, transferred as an obligation against current appropriations,] **[after deducting therefrom any contributions from States Parties relating to the financial period of the appropriation which remain unpaid, shall be treated as a cash surplus as in regulation 4.3. Any obligations remaining a valid claim at that time shall be charged against current appropriations.** | Regulation 4.4: At the end of the twelve-month period provided in regulation 4.3 above, the then remaining balance of any appropriations retained will be surrendered. Any unliquidated obligations of the financial period in question shall, at that time, be cancelled or, where the obligation remains a valid charge, transferred as an obligation against current appropriations. | 4.4 At the end of the twelve-month period provided in regulation 4.3 above, the then remaining balance of any appropriations retained will be surrendered. Any unliquidated obligations of the financial period in question shall, at that time, be cancelled or, where the obligation remains a valid charge, transferred as an obligation against current appropriations. |
| **The provisional cash surplus for the financial period shall be determined by establishing the balance between credits (assessed contributions actually received for the financial period and miscellaneous income received during the financial period) and charges (all disbursements against the appropriations for that financial period and provisions for unliquidated obligations for that financial period).** | | |
| **The cash surplus for the financial period shall be determined by crediting to the provisional cash surplus any arrears of prior periods' assessed contributions from States Parties received during this period and any savings** | | |

| Draft Financial Regulations of the International Tribunal for the Law of the Sea (SPLOS/WP.14) | Financial Regulations of the United Nations (ST/SGB/Financial Rules/1/Rev.3 (1985) | Financial Regulations of the International Seabed Authority |
|---|---|---|
| **from the provisions made for unliquidated obligations as mentioned above. Any remaining outstanding obligations shall be re-obligated against the appropriations of the current financial period.** | | |
| **4.4bis Any cash surplus in the budget at the close of any financial period shall be apportioned among States Parties in proportion to the scale of assessments applicable to the financial period to which the surplus relates. As of 1 January following the year in which the audit of the accounts of the financial period is completed, the amount so apportioned to a State Party shall be surrendered to such State Party if its contribution for that financial period has been paid in full and shall be applied to liquidate, in whole or in part, first, any advance due to the Working Capital Fund; secondly, any arrears of assessed contributions; and thirdly, assessed contributions for the calendar year following the year in which the audit is completed.** | N/A | N/A |
| **While any cash surplus in the budget shall be apportioned among all States Parties, the amount so apportioned shall be surrendered only to those States Parties which have paid in full their contributions for that financial period. Amounts apportioned but not surrendered shall be retained by the [Registrar] [Tribunal] [21] until such time as the contribution for the relevant financial period is paid in full, at which time they shall be applied in the sequence set forth above.] [22]** | | |

| Draft Financial Regulations of the International Tribunal for the Law of the Sea (SPLOS/WP.14) | Financial Regulations of the United Nations (ST/SGB/Financial Rules/1/Rev.3 (1985) | Financial Regulations of the International Seabed Authority |
|---|---|---|
| 4.5 No transfer between appropriation sections may be made without authorization by the Meeting of States Parties. However, the [Tribunal] **[Finance Committee of States Parties]** [23] may, in exceptional **[and urgent]** [24] circumstances, authorize [such a transfer and shall report thereon] **[such transfers, which shall be reported]** [25] to the Meeting of States Parties.<br><br>Proposal 1:<br>**[4.6 The Registrar shall be accountable to the Meeting of States Parties for the proper management of the financial resources in accordance with these Regulations. The Registrar shall prudently manage the appropriations so as to ensure that expenditures can be met from funds available, keeping in view the actual contributions received and the availability of cash balances.]** [26]<br><br>Proposal 2:<br>**[4.6 The Tribunal shall be accountable to the Meeting of States Parties for the proper management of the financial resources in accordance with these Regulations. The Tribunal shall prudently manage the appropriations so as to ensure that expenditures can be met from funds appropriated.]** [27] | Regulation 4.5: No transfer between appropriation sections may be made without authorization by the General Assembly | 4.5 Transfers between appropriation sections may only be made to the extent authorized by the Assembly. |

| Draft Financial Regulations of the International Tribunal for the Law of the Sea (SPLOS/WP.14) | Financial Regulations of the United Nations (ST/SGB/Financial Rules/1/Rev.3 (1985) | Financial Regulations of the International Seabed Authority |
|---|---|---|
| REGULATION 5<br>Provision of funds | ARTICLE V. PROVISION OF FUNDS | |
| 5.1 The funds of the Tribunal shall include: | | 6.1 The funds of the Authority shall include: |
| (a) Assessed contributions made by States Parties in accordance with article 19, paragraph 1, of the Statute; | | (a) assessed contributions made by States members of the Authority; |
| **[(a bis) Agreed [~~Agreed~~] [28] contributions, as determined by Meetings of the States Parties, made by international organizations in accordance with Annex IX of the Convention] [29]** | | |
| (b) **[Assessed]** [30] Contributions by the International Seabed Authority in accordance with article 19, paragraph 1, of the Statute; | | (b) agreed contributions, as determined by the Authority, made by international organizations members of the Authority in accordance with annex IX to the Convention; |
| (c) Contributions by other entities in accordance with article 19, paragraph 2, of the Statute; | | (c) funds received by the Authority pursuant to annex III, article 13, paragraph 2, of the Convention and section 8 of the annex to the Agreement, in connection with activities in the Area; |
| (d) Voluntary contributions made by States Parties, States, the International Seabed Authority or other entities; | | (d) funds transferred from the Enterprise in accordance with annex IV, article 10, of the Convention; |
| (e) Such other funds to which the Tribunal may become entitled or may receive. | | (e) voluntary contributions made by members or other entities; and |
| | | (f) such other funds to which the Authority may become entitled or may receive, including income from investment. |

| Draft Financial Regulations of the International Tribunal for the Law of the Sea (SPLOS/WP.14) | Financial Regulations of the United Nations (ST/SGB/Financial Rules/1/Rev.3 (1985) | Financial Regulations of the International Seabed Authority |
|---|---|---|
| 5.2 The appropriations, subject to the adjustments effected in accordance with the provisions of regulation 5.3, shall be financed by contributions from States Parties in accordance with an agreed scale of assessment. Pending the receipt of such contributions, the appropriations may be financed from the Working Capital Fund. | Regulation 5.1: The appropriations, subject to the adjustments effected in accordance with the provisions of regulation 5.2, shall be financed by contributions from Member States, according to the scale of assessments determined by the General Assembly. Pending the receipt of such contributions, the appropriations may be financed from the Working Capital Fund. | 6.2 The appropriations, subject to the adjustments effected in accordance with the provisions of regulation 6.3, shall be financed by contributions from the States members of the Authority in accordance with an agreed scale of assessment based upon the scale used for the regular budget of the United Nations, including a floor rate and a ceiling rate as determined from time to time by the Authority, and by contributions from international organizations members of the Authority, as determined from time to time by the Authority, until the Authority shall have sufficient income from other sources to meet its administrative expenses. Pending the receipt of such contributions, the appropriations may be financed from the working capital fund. |
| Proposal 1:<br>5.2 The appropriations ... shall be financed by:<br>**[(a) Assessed contributions from the States Parties in accordance with an agreed scale of assessment based upon the scale used for the regular budget of the United Nations adjusted to take into account the differences in membership between the United Nations and the Tribunal, including a floor rate and a ceiling rate as determined from time to time by the Meeting of States Parties;**<br>**(b) Agreed contributions from international organizations, as determined from time to time by Meetings of States Parties, taking into consideration the total amount of the budget for each financial period;** | | |

| Draft Financial Regulations of the International Tribunal for the Law of the Sea (SPLOS/WP.14) | Financial Regulations of the United Nations (ST/SGB/Financial Rules/1/Rev.3 (1985) | Financial Regulations of the International Seabed Authority |
|---|---|---|
| **(c) Contributions from the International Seabed Authority.**<br><br>**Pending the receipt of such contributions, the appropriations may be financed by the Working Capital Fund.]** [31]<br><br>Proposal 2:<br>5.2 The appropriations … shall be financed by:<br><br>**[(a) Assessed contributions from the States Parties in accordance with an agreed scale of assessment based upon the scale used for the regular budget of the United Nations adjusted to take into account for the current financial period as applied to States Parties to the Convention and taking into account contributions of international organizations referred to in regulation 5.1(b) and the International Seabed Authority, including a floor rate and a ceiling rate as determined from time to time by the Meeting of States Parties;**<br><br>**(b) Contributions from international organizations referred to in regulation 5.1(b);**<br><br>**(c) Contributions from the International Seabed Authority.**<br><br>**Pending the receipt of such contributions, the appropriations may be financed from the Working Capital Fund.]** [32] | | |

| Draft Financial Regulations of the International Tribunal for the Law of the Sea (SPLOS/WP.14) | Financial Regulations of the United Nations (ST/SGB/Financial Rules/1/Rev.3 (1985) | Financial Regulations of the International Seabed Authority |
|---|---|---|
| 5.3 The contributions of States Parties *[~~and the International Seabed Authority~~]* [33] shall be assessed for a financial period on the basis of the appropriations [approved] **[adopted]** [34] by the Meeting of States Parties for that financial period [,except that adjustments shall be made to the assessments in respect of: | Regulation 5.2: For each of the two years of a financial period, the contributions of Member States shall be assessed on the basis of half of the appropriations approved by the General Assembly for that financial period, except that adjustments shall be made to the assessments in respect of: | 6.3 For each of the two years of a financial period, the contributions of the members of the Authority shall be assessed on the basis of half of the appropriations approved by the Assembly for that financial period, except that adjustments shall be made to the assessments in respect of: |
| (a) Supplementary appropriations for which contributions have not previously been assessed on States Parties; | (a) Supplementary appropriations for which contributions have not previously been assessed on Member States; | (a) supplementary appropriations for which contributions have not previously been assessed on members of the Authority; |
| (b) Contributions resulting from the assessment of new States Parties under the provisions of regulation 5.9; | | (b) half of the estimated miscellaneous income for the financial period for which credits have not previously been taken into account, and any adjustments in estimated miscellaneous income previously taken into account; |
| (c) Any balance of the appropriations surrendered under regulations 4.3 and 4.4]. [35] | (c) Contributions resulting from the assessment of new Member States under the provisions of regulation 5.8; | (c) contributions resulting from the assessment of new members of the Authority under the provisions of regulation 6.9; |
| **[Adjustments to the assessments of States Parties and the International Seabed Authority [~~the International Seabed Authority~~]** [36] **shall be made in respect of contributions resulting from the assessment of new States Parties under the provision of regulation 5.9].** [37] | (d) Any balance of the appropriations surrendered under regulations 4.3 and 4.4; | (d) any balance of the appropriations surrendered under regulations 4.3 and 4.4. |

| Draft Financial Regulations of the International Tribunal for the Law of the Sea (SPLOS/WP.14) | Financial Regulations of the United Nations (ST/SGB/Financial Rules/1/Rev.3 (1985) | Financial Regulations of the International Seabed Authority |
|---|---|---|
| 5.4 After the Meeting of States Parties has adopted *[or revised]* [38] the budget and determined the amount of the Working Capital Fund, the Registrar shall: | Regulation 5.3: After the General Assembly has adopted or revised the programme budget and determined the amount of the Working Capital Fund, the Secretary-General shall: | 6.4 After the Assembly has adopted or revised the budget and determined the amount of the working capital fund, the Secretary-General shall: |
| (a) Transmit the relevant documents to the States Parties and the International Seabed Authority; | (a) Transmit the relevant documents to Member States; | (a) transmit the relevant documents to the members of the Authority; |
| (b) Inform the States Parties and the International Seabed Authority of their commitments in respect of annual contributions and advances to the Working Capital Fund; | (b) Inform Member States of their commitments in respect of annual contributions and advances to the Working Capital Fund; | (b) inform the members of the Authority of their contributions in respect of annual contributions and advances to the working capital fund; and |
| (c) Request them to remit their contributions and advances. | (c) Request them to remit their contributions and advances. | (c) request them to remit their contributions and advances. |
| 5.5 Contributions and advances shall be considered as due and payable in full within thirty days of the receipt of the communication of the Registrar referred to in regulation 5.4, or as of the first day of the calendar year to which they relate, whichever is the later. As of 1 January of the following calendar year, the unpaid balance of such contributions and advances shall be considered to be one year in arrears. | Regulation 5.4: Contributions and advances shall be considered as due and payable in full within thirty days of the receipt of the communication of the Secretary-General referred to in Regulation 5.3 above, or as of the first day of the calendar year to which they relate, whichever is the later. As of 1 January of the following calendar year, the unpaid balance of such contributions and advances shall be considered to be one year in arrears. | 6.5 Contributions and advances shall be considered as due and payable in full within thirty days of the receipt of the communication of the Secretary-General referred to in regulation 6.4 above, or as of the first day of the calendar year to which they relate, whichever is the later. As of 1 January of the following calendar year, the unpaid balance of such contributions and advances shall be considered to be one year in arrears. |
| 5.6 Annual contributions and advances to the Working Capital Fund shall be assessed and paid in United States dollars.* [39] | Regulation 5.5: Annual contributions and advances to the Working Capital Fund shall be assessed and paid in United States dollars. | 6.6 Annual contributions and advances to the working capital fund shall be assessed and paid in United States dollars. |

* [Issue pending. Possible amendment according to a decision to be taken during the Eleventh Meeting of States Parties].

| Draft Financial Regulations of the International Tribunal for the Law of the Sea (SPLOS/WP.14) | Financial Regulations of the United Nations (ST/SGB/Financial Rules/1/Rev.3 (1985) | Financial Regulations of the International Seabed Authority |
|---|---|---|
| 5.7 Payments made by a State Party shall be credited first to the Working Capital Fund and then to the contributions due, in the order in which the State Party was assessed. | Regulation 5.6: Payments made by a Member State shall be credited first to the Working Capital Fund and then to the contributions due, in the order in which the Member was assessed. | 6.7 Payments made by a member of the Authority shall be credited first to the working capital fund and then to the contributions due, in the order in which the member was assessed. |
| 5.8 The Registrar shall submit to each Meeting of States Parties a report on the collection of contributions and advances to the Working Capital Fund. | Regulation 5.7: The Secretary-General shall submit to each regular session of the General Assembly a report on the collection of contributions and advances to the Working Capital Fund. | 6.8 The Secretary-General shall submit to each regular session of the Assembly, the Council and the Finance Committee a report on the collection of contributions and advances to the working capital fund. |
| 5.9 New States Parties shall be required to make assessed contributions for the year in which they become States Parties and to provide their proportion of the total advances to the Working Capital Fund at rates to be determined by the Meeting of States Parties. | Regulation 5.8: New Members shall be required to make a contribution for the year in which they become Members and to provide their proportion of the total advances to the Working Capital Fund at rates to be determined by the General Assembly. | 6.9 New members shall be required to make a contribution for the year in which they become members of the Authority and to provide their proportion of the total advances to the working capital fund at rates to be determined by the Assembly. |
| 5.10 Contributions of entities other than a State Party or the International Seabed Authority to the expenses of the Tribunal shall be treated as miscellaneous income. | Regulation 5.9: States which are not members of the United Nations but which become parties to the Statute of the International Court of Justice or treaty bodies financed from United Nations appropriations shall contribute to the expenses of such bodies at rates to be determined by the General Assembly. States which are not members of the United Nations but which participate in organs or conferences financed from United Nations appropriations shall contribute to the expenses of such organs or conferences at rates to be determined by the General Assembly, unless the Assembly decides with respect to any such State to exempt it from the requirement of so contributing. Such contributions shall be taken into account as miscellaneous income. | 6.10 States and entities referred to in article 305 of the Convention which are not members of the Authority but which participate in its activities shall contribute to the expenses of the Authority at rates to be determined by the Assembly, unless the Assembly decides with respect to any such State or entity to exempt it from the requirement of so contributing. Such contributions shall be taken into account as miscellaneous income. |

| Draft Financial Regulations of the International Tribunal for the Law of the Sea (SPLOS/WP.14) | Financial Regulations of the United Nations (ST/SGB/Financial Rules/1/Rev.3 (1985) | Financial Regulations of the International Seabed Authority |
|---|---|---|
| REGULATION 6<br>Funds | ARTICLE VI. FUNDS | |
| 6.1 There shall be established a General Fund for the purpose of accounting for the administrative expenditures of the Tribunal. The contributions referred to in regulation 5.1 by States Parties **[and the International Seabed Authority]** [40] and miscellaneous income and any advances made from the Working Capital Fund to finance administrative expenditures shall be credited to the General Fund. | Regulation 6.1: There shall be established a general fund for the purpose of accounting of the expenditures of the Organization. The contributions paid by Member States under regulation 5.1, miscellaneous income and any advances made from the Working Capital Fund to finance general expenditures shall be credited to the General Fund. | |
| 6.2 There shall be established a Working Capital Fund ~~in an amount and for purposes to be determined from time to time by the Meeting of State Parties~~ **to ensure financial resources for the Tribunal to meet short-term liquidity problems pending receipt of assessed contributions. [The amount shall be determined from time to time [~~from time to time~~]** [41] **by the Meeting of States Parties.]** [42] The Working Capital Fund shall be constituted by advances from States Parties. Advances shall be made in accordance with [an] **[the]** [43] agreed scale of [assessment based upon the scale used for the regular budget] **[assessments (regulation 5.2)]**. [44] Advances shall be carried to the credit of States Parties which have made such advances. | Regulation 6.2: There shall be established a working capital fund in an amount and for purposes to be determined from time to time by the General Assembly. The source of moneys of the Working Capital Fund shall be advances from Member States, and these advances made in accordance with the scale of assessments as determined by the General Assembly for the apportionment of the expenses of the United Nations, shall be carried to the credit of Member States which have made such advances. | |
| 6.3 Advances made from the Working Capital Fund to finance budgetary appropriations shall be reimbursed to the Fund as soon as and to the extent that income is available for that purpose. | Regulation 6.3: Advances made from the Working Capital Fund to finance budgetary appropriations shall be reimbursed to the Fund as soon as and to the extent that income is available for that purpose. | |

| Draft Financial Regulations of the International Tribunal for the Law of the Sea (SPLOS/WP.14) | Financial Regulations of the United Nations (ST/SGB/Financial Rules/1/Rev.3 (1985) | Financial Regulations of the International Seabed Authority |
|---|---|---|
| 6.4 ~~[Except when such advances are recoverable from some other source, advances made from the Working Capital Fund for unforeseen and extraordinary expenses or other authorized purposes shall be reimbursed through the submission of supplementary budget proposals.]~~ [45] | | |
| 6.5 Income derived from investments of the Working Capital Fund shall be credited to miscellaneous income. | Regulation 6.5: Income derived from investments of the Working Capital Fund shall be credited to miscellaneous income. | |
| 6.6 Trust funds, reserve and special accounts **[, as approved by the Tribunal,]** [46] may be established by the Registrar **[in accordance with regulations 7.2 and 7.3]** [47] and shall be reported to the Tribunal **[and to the Meeting of States Parties. They shall be administered in accordance with these Regulations.]** [48] | Regulation 6.6: Trust funds, reserve and special accounts may be established by the Secretary-General and shall be reported to the Advisory Committee. | |
| 6.7 ~~[The purpose and limits of each trust fund, reserve and special account shall be clearly defined by the appropriate authority. Unless otherwise decided by the Meeting of States Parties, such funds and accounts shall be administered in accordance with these Regulations.]~~ 49 | Regulation 6.7: The purpose and limits of each trust fund, reserve and special account shall be clearly defined by the appropriate authority. Unless otherwise provided by the General Assembly, such funds and accounts shall be administered in accordance with the present Regulations. | |

| Draft Financial Regulations of the International Tribunal for the Law of the Sea (SPLOS/WP.14) | Financial Regulations of the United Nations (ST/SGB/Financial Rules/1/Rev.3 (1985) | Financial Regulations of the International Seabed Authority |
|---|---|---|
| REGULATION 7<br>Other income | ARTICLE VII. OTHER INCOME | |
| 7.1 All other income except: | Regulation 7.1: All other income except: | 7.1 All other income except: |
| (a) **[Assessed]** [50] contributions to the budget; | (a) Contributions to the programme budget; | (a) contributions to the budget; |
| (b) Voluntary contributions [made by States Parties, other States and the International Seabed Authority or other entities] **[under the provision of regulation 7.2;]** [51] | (b) Direct refunds of expenditures made during the financial period; | (b) funds received by the Authority pursuant to annex III, article 13, paragraph 3, of the Convention and section 8 of the annex to the Agreement, in connection with activities in the Area; |
| (c) Direct refunds of expenditures made during the financial period; | (c) Advances or deposits to funds; and | (c) funds transferred from the Enterprise in accordance with annex IV, article 10, of the Convention; |
| (d) Revenue derived from staff assessment, | (d) Revenue derived from the Staff Assessment plan shall be classed as miscellaneous income, for credit to the General Fund. | (d) voluntary contributions made by members or other entities; |
| shall be classed as miscellaneous income, for credit to the General Fund. | | (e) payments received by the Authority pursuant to article 82 of the Convention; |
| | | (f) payments to the economic assistance fund, in accordance with paragraph 1(a) of section 7 of the annex to the Agreement; |
| | | (g) direct refunds of expenditures made during the financial period; |
| | | (h) advances or deposits to funds; and |
| | | (i) revenue derived from the Staff Assessment Plan, shall be classed as miscellaneous income, for credit to the general administrative fund. |

| Draft Financial Regulations of the International Tribunal for the Law of the Sea (SPLOS/WP.14) | Financial Regulations of the United Nations (ST/SGB/Financial Rules/1/Rev.3 (1985) | Financial Regulations of the International Seabed Authority |
|---|---|---|
| 7.2 Voluntary contributions, gifts and donations, whether or not in cash, may be accepted by the [Registrar] **[Tribunal]**, [52] provided that the ~~*[Tribunal is satisfied that the]*~~ [53] purposes for which the contributions are made are consistent with the nature and functions of the Tribunal. Acceptance of **[any such]** [54] contributions which directly or indirectly involve additional financial liability for the Tribunal shall require the **[prior]** [55] consent of the Meeting of States Parties. **[Voluntary contributions, gifts and donations accepted under this paragraph shall be communicated to the next Meeting of States Parties.]** | Regulation 7.2: Voluntary contributions, whether or not in cash, may be accepted by the Secretary-General provided that the purposes for which the contributions are made are consistent with the policies, aims and activities of the Organization, and provided that the acceptance of such contributions which directly or indirectly involve additional financial liability for the Organization shall require the consent of the appropriate authority. | 7.2 Voluntary contributions, whether or not in cash, may be accepted by the Secretary-General provided that the purposes for which the contributions are made are consistent with the policies, aims and activities of the Authority, and provided that the acceptance of such contributions which directly or indirectly involve additional financial liability for the Authority shall require the consent of the appropriate authority. |
| 7.3 Contributions accepted **in accordance with regulation 7.2** for purposes specified by the donors shall be treated as trust funds or special accounts. | Regulation 7.3: Moneys accepted for purposes specified by the donor shall be treated as trust funds or special accounts under regulations 6.6 and 6.7. | 7.3 Moneys accepted for purposes specified by the donor shall be treated as trust funds or special accounts under regulations 5.5 and 5.6. |
| 7.4 Contributions in respect of which no purpose is specified shall be treated as miscellaneous income and reported as "gifts" in the accounts of the financial period. | Regulation 7.4: Moneys accepted in respect of which no purpose is specified, shall be treated as miscellaneous income and reported as "gifts" in the accounts of the financial period. | 7.4 Moneys accepted in respect of which no purpose is specified shall be treated as miscellaneous income and reported as "gifts" in the accounts of the financial period |

| Draft Financial Regulations of the International Tribunal for the Law of the Sea (SPLOS/WP.14) | Financial Regulations of the United Nations (ST/SGB/Financial Rules/1/Rev.3 (1985) | Financial Regulations of the International Seabed Authority |
|---|---|---|
| REGULATION 8<br>Custody of funds | ARTICLE VIII. CUSTODY OF FUNDS | |
| 8.1 The Registrar **[, with the approval of the Tribunal,]** [56] shall designate the bank or banks **[of international reputation]** [57] in which the funds of the Tribunal shall be kept. | Regulation 8.1: The Secretary-General shall designate the bank or banks in which the funds of the Organization shall be kept. | 8.1 The Secretary-General shall designate the bank or banks in which the funds of the Authority shall be kept. The Secretary-General shall from time to time report to the Council on the designation of such bank or banks. |

| Draft Financial Regulations of the International Tribunal for the Law of the Sea (SPLOS/WP.14) | Financial Regulations of the United Nations (ST/SGB/Financial Rules/1/Rev.3 (1985) | Financial Regulations of the International Seabed Authority |
|---|---|---|
| REGULATION 9<br>Investments of funds | ARTICLE IX. INVESTMENT OF FUNDS | |
| 9.1 The Registrar **[, with the approval of the Tribunal,]** [58] may make short-term investments of moneys not needed for immediate requirements and shall inform ~~*[the Tribunal]*~~ [59] **[and the Meeting of States Parties]** [60] periodically of such investments. | Regulation 9.1: The Secretary-General may make short-term investments of moneys not needed for immediate requirements and shall inform the Advisory Committee periodically of such investments which he has made. | 9.1 The Secretary-General may make short-term investments of a non-speculative nature, of moneys not needed for immediate requirements and shall inform the Finance Committee periodically of such investments which he or she has made. |
| 9.2 Income derived from investments shall be credited to miscellaneous income or as provided in the rules relating to each fund or account. | Regulation 9.3: Income derived from investments shall be credited as provided in the rules relating to each fund or account. | 9.3 Income derived from investments shall be credited as provided in the rules relating to each fund or account. |

| Draft Financial Regulations of the International Tribunal for the Law of the Sea (SPLOS/WP.14) | Financial Regulations of the United Nations (ST/SGB/Financial Rules/1/Rev.3 (1985) | Financial Regulations of the International Seabed Authority |
|---|---|---|
| REGULATION 10<br>Internal control | ARTICLE X. INTERNAL CONTROL | |
| 10.1 The [Registrar] [**Tribunal**] [61] shall: | Regulation 10.1: The Secretary-General shall: | 10.1 The Secretary-General shall: |
| (a) Establish detailed financial rules and procedures in order to ensure effective financial administration and the exercise of economy; | (a) Establish detailed financial rules and procedures in order to ensure effective financial administration and the exercise of economy; | (a) establish detailed financial rules and procedures in order to ensure effective financial administration and the exercise of economy; |
| (b) Cause all payments to be made on the basis of supporting vouchers and other documents which ensure that the services or goods have been received and that payments have not previously been made; | (b) Cause all payments to be made on the basis of supporting vouchers and other documents which ensure that the services or goods have been received and that payments have not previously been made; | (b) cause all payments to be made on the basis of supporting vouchers and other documents which ensure that the services or goods have been received and that payments have not previously been made; |
| (c) Designate the officers who may receive moneys, incur obligations and make payments on behalf of the Tribunal; | (c) Designate the officers who may receive moneys, incur obligations and make payments on behalf of the Organization; | (c) designate the officers who may receive moneys, incur obligations and make payments on behalf of the Authority; |
| (d) Maintain an internal financial control which shall provide for effective current examination and/or review of financial transactions in order to ensure: | (d) Maintain an internal financial control which shall provide for an effective current examination and/or review of financial transactions in order to ensure: | (d) maintain an internal financial control which shall provide for an effective current examination and/or review of financial transactions in order to ensure: |
| (i) The regularity of the receipt, custody and disposal of all funds and other financial resources of the Tribunal;<br>(ii) The conformity of obligations and expenditures with the appropriations or other financial provisions voted by the Meeting of States Parties, or with the purposes and rules relating to trust funds and special accounts;<br>(iii) The economic use of the resources of the Tribunal. | (i) The regularity of the receipt, custody and disposal of all funds and other financial resources of the Organization;<br>(ii) The conformity of obligations and expenditures with the appropriations or other financial provisions voted by the General Assembly, or with the purposes and rules relating to trust funds and special accounts;<br>(iii) The economic use of the resources of the Organization. | (i) the regularity of the receipt, custody and disposal of all funds and other financial resources of the Authority;<br>(ii) the conformity of obligations and expenditures with the appropriations or other financial provisions voted by the Assembly, or with the purposes and rules relating to trust funds and special accounts;<br>(iii) the economic use of the resources of the Authority. |

| Draft Financial Regulations of the International Tribunal for the Law of the Sea (SPLOS/WP.14) | Financial Regulations of the United Nations (ST/SGB/Financial Rules/1/Rev.3 (1985) | Financial Regulations of the International Seabed Authority |
|---|---|---|
| 10.2 Obligations for the current financial period or commitments for current and future financial periods shall be incurred only after allotments or other appropriate authorizations have been made in writing under the authority of the [Registrar] [Tribunal]. [62] | Regulation 10.2: Obligations for the current financial period or commitments for current and future financial periods shall be incurred only after allotments or other appropriate authorizations have been made in writing under the authority of the Secretary-General. | 10.2 Obligations for the current financial period or commitments for current and future financial periods shall be incurred only after allotments or other appropriations have been made in writing under the authority of the Secretary-General. |
| 10.3 The Registrar **[, with the approval of the Tribunal,]** [63] may make such ex gratia payments as he or she deems to be necessary in the interest of the Tribunal, provided that a statement of such payments shall be submitted to the Meeting of States Parties with the accounts. | ***Ex gratia* payments**<br>Regulation 10.3: The Secretary-General may make such ex gratia payments as he deems to be necessary in the interest of the Organization, provided that a statement of such payments shall be submitted to the General Assembly with the accounts. | 10.3 The Secretary-General may make such ex gratia payments as he or she deems to be necessary in the interest of the Authority, provided that a statement of such payments shall be submitted to the Assembly with the accounts. |
| 10.4 The Registrar may, after full investigation, authorize the writing-off of losses of cash, stores and other assets, provided that a statement of all such amounts written off shall be submitted to the Auditor with the accounts and reported to the Meeting of States Parties. | **Writing-off of losses or deficiencies**<br>Regulation 10.4: The Secretary-General may, after full investigation, authorize the writing-off of losses of cash, stores and other assets, provided that a statement of all such amounts written off shall be submitted to the Auditors with the accounts. | 10.4 The Secretary-General may, after full investigation, authorize the writing-off of losses of cash, stores and other assets, provided that a statement of all such amounts written off shall be submitted to the Auditor with the accounts together with the justifications attached thereto. |
| 10.5 Substantial purchases of equipment, supplies and other requirements as specified in the Rules shall be by tender. Such tenders shall be invited by advertisement, except where the Registrar, with the approval of the President, deems that, in the interests of the Tribunal, a departure from the rule is desirable. | **Contracts and purchases**<br>Regulation 10.5: Tenders for equipment, supplies and other requirements shall be invited by advertisement, except where the Secretary-General deems that, in the interests of the Organization, a departure from the rule is desirable. | 10.5 Tenders for equipment, supplies and other requirements shall be invited by advertisement, except where the Secretary-General deems that, in the interests of the Authority, a departure from the rules is desirable. |

| Draft Financial Regulations of the International Tribunal for the Law of the Sea (SPLOS/WP.14) | Financial Regulations of the United Nations (ST/SGB/Financial Rules/1/Rev.3 (1985) | Financial Regulations of the International Seabed Authority |
|---|---|---|
| REGULATION 11<br>The accounts | ARTICLE XI. THE ACCOUNTS | |
| 11.1 The Registrar shall submit accounts for the financial period. In addition, the Registrar shall maintain, for management purposes, such accounting records as are necessary. The accounts for the financial period shall show: | Regulation 11.1: The Secretary-General shall submit accounts for the financial period. In addition he shall maintain, for management purposes, such accounting records as are necessary, including interim accounts for the first calendar year of the financial period. Both the interim accounts and the accounts for the financial period shall show: | 11.1 The Secretary-General shall submit accounts for the financial period. In addition, the Secretary-General shall maintain, for management purposes, such accounting records as are necessary, including interim accounts for the first calendar year of the financial period. Both the interim accounts and the accounts for the financial period shall show: |
| (a) The income and expenditures of all funds; | (a) The income and expenditure of all funds; | (a) the income and expenditures of all funds; |
| (b) The status of appropriations, including: | (b) The status of appropriations, including: | (b) the status of appropriations, including: |
| (i) The original budget appropriations;<br>(ii) The appropriations as modified by any transfers;<br>(iii) Credits, if any, other than the appropriations adopted by the Meeting of States Parties;<br>(iv) The amounts charged against those appropriations and/or other credits; | (i) The original budget appropriations;<br>(ii) The appropriations as modified by any transfer;<br>(iii) Credits, if any, other than the appropriations voted by the General Assembly;<br>(iv) The amounts charged against those appropriations and/or other credits; | (i) the original budget appropriations;<br>(ii) the appropriations as modified by any transfers;<br>(iii) credits, if any, other than the appropriations voted by the Assembly;<br>(iv) the amounts charged against those appropriations and/or other credits; |
| (c) The assets and liabilities of the Tribunal. | (c) The assets and liabilities of the Organization. | (c) The assets and liabilities of the Authority. |
| The Registrar shall also give such other information as may be appropriate to indicate the current financial position of the Tribunal. | He shall also give such other information as may be appropriate to indicate the current financial position of the Organization. | The Secretary-General shall also give such other information as may be appropriate to indicate the current financial position of the Authority. |
| 11.2 The accounts of the Tribunal shall be presented in United States dollars. Accounting records may, however, be kept in such other currency as the [Registrar] [**Tribunal**] [64] may deem necessary. | Regulation 11.2: The accounts of the Organization shall be presented in United States dollars. Accounting records may, however, be kept in such currency or currencies as the Secretary-General may deem necessary. | 11.2 The accounts of the Authority shall be presented in United States dollars. Accounting records may, however, be kept in such currency or currencies as the Secretary-General may deem necessary. |

| Draft Financial Regulations of the International Tribunal for the Law of the Sea (SPLOS/WP.14) | Financial Regulations of the United Nations (ST/SGB/Financial Rules/1/Rev.3 (1985) | Financial Regulations of the International Seabed Authority |
|---|---|---|
| 11.3 Appropriate separate accounts shall be maintained for all trust funds and special accounts. | Regulation 11.3: Appropriate separate accounts shall be maintained shall be maintained for all trust funds, reserve and special accounts. | 11.3 Appropriate separate accounts shall be maintained for all trust funds, reserve and special accounts. |
| 11.4 The accounts for the financial period shall be submitted by the Registrar to the Auditor not later than 31 March following the end of the financial period. | Regulation 11.4: The accounts for the financial period shall be submitted by the Secretary-General to the Board of Auditors not later than 31 March following the end of the financial period. | 11.4 The accounts for the financial period shall be submitted by the Secretary-General to the Auditor not later than 31 March following the end of the financial period. |

| Draft Financial Regulations of the International Tribunal for the Law of the Sea (SPLOS/WP.14) | Financial Regulations of the United Nations (ST/SGB/Financial Rules/1/Rev.3 (1985) | Financial Regulations of the International Seabed Authority |
|---|---|---|
| REGULATION 12<br>Audit | ARTICLE XII. EXTERNAL AUDIT<br>Appointment of a board of auditors | |
| 12.1 The [Tribunal] [Meeting of States Parties] [65] shall appoint an Auditor which shall be an internationally recognized firm of auditors. The Auditor shall be appointed for a period of four years and may be reappointed. | Regulation 12.1: The General Assembly shall appoint a board of auditors to perform the audit of the accounts of the United Nations. This board shall consist of three members, each of whom shall be the Auditor-General (or officer holding the equivalent title) of a Member State. | 12.1 The Assembly shall appoint an internationally recognized independent auditor with experience in the audit of international organizations. The independent auditor shall be appointed for a period of four years and may be reappointed for one term. |
| 12.2 The audit shall be conducted in conformity with generally accepted common auditing standards and in accordance with the additional terms of reference set out in the annex to these Regulations. | Regulation 12.4: The audit shall be conducted in conformity with generally accepted common auditing standards and, subject to any special direction of the General Assembly, in accordance with the additional terms of reference set out in the annex to the present Regulations | 12.2 The audit shall be conducted in conformity with generally accepted common auditing standards and, subject to any special directions of the Assembly, in accordance with the additional terms of reference set out in the annex to the present Regulations. |
| 12.3 The Auditor may make observations with respect to the efficiency of the financial procedures, the accounting system, the internal financial controls and, in general, the administration and management of the Tribunal. | Regulation 12.5: The Board of Auditors may make observations with respect to the efficiency of the financial procedures, the accounting system, the internal financial controls and, in general, the administration and management of the Organization. | 12.3 The Auditor shall, as appropriate, make observations with respect to the efficiency of the financial procedures, the accounting system, the internal financial controls and, in general, the administration and management of the Authority. |
| 12.4 The Auditor shall be completely independent and solely responsible for the conduct of the audit. | Regulation 12.6: The Board of Auditors shall be completely independent and solely responsible for the conduct of the audit. | 12.4 The Auditor shall be completely independent and solely responsible for the conduct of the audit. |
| 12.5 The [Tribunal] [Meeting of States Parties] [Finance Committee] [66] may request the Auditor to perform certain specific examinations and issue separate reports on the results. | Regulation 12.7: The Advisory Committee may request the Board of Auditors to perform certain specific examinations and issue separate reports on the results. | 12.5 The Finance Committee may request the Auditor to perform certain specific examinations and issue separate reports on the results. |
| 12.6 The Registrar shall provide the Auditor with the facilities required in the performance of the audit. | Regulation 12.8: The Secretary-General shall provide the Board of Auditors with the facilities it may require in the performance of the audit. | 12.6 The Secretary-General shall provide the Auditor with the facilities he or she may require in the performance of the audit. |

| Draft Financial Regulations of the International Tribunal for the Law of the Sea (SPLOS/WP.14) | Financial Regulations of the United Nations (ST/SGB/Financial Rules/1/Rev.3 (1985) | Financial Regulations of the International Seabed Authority |
|---|---|---|
| 12.7 The Auditor shall issue a report on the audit of the financial statements and relevant schedules relating to the accounts for the financial period, which shall include such information as the Auditor deems necessary with regard to matters referred to in regulation 12.3 and in the additional terms of reference. | Regulation 12.10: The Board of Auditors shall issue a report on the audit of the financial statements and relevant schedules relating to the accounts for the financial period, which shall include such information as the Board deems necessary with regard to matters referred to in regulation 12.5 and in the additional terms of reference. | 12.7 The Auditor shall issue a report on the audit of the financial statements and relevant schedules relating to the accounts for the financial period, which shall include such information as the Auditor deems necessary with regard to matters referred to in regulation 12.3 and in the additional terms of reference. |
| 12.8 The Tribunal shall examine the financial statements and the audit reports and shall forward them to the Meeting of States Parties, with such comments as it deems appropriate. | Regulation 12.11: The reports of the Board of Auditors shall be transmitted to the General Assembly through the Advisory Committee, together with the audited financial statements, in accordance with any directions given by the Assembly. The Advisory Committee shall examine the financial statements and the audit reports and shall forward them to the Assembly with such comments as it deems appropriate. | 12.8 The Finance Committee shall examine the financial statements and the audit reports and shall forward them to the Council and the Assembly, with such comments as it deems appropriate. |

| Draft Financial Regulations of the International Tribunal for the Law of the Sea (SPLOS/WP.14) | Financial Regulations of the United Nations (ST/SGB/Financial Rules/1/Rev.3 (1985) | Financial Regulations of the International Seabed Authority |
|---|---|---|
| REGULATION 13<br>Decisions involving expenditures | ARTICLE XIII. RESOLUTIONS INVOLVING EXPENDITURES | |
| 13.1 [Where, in the opinion of the [Registrar] **[Tribunal],** [67] the proposed expenditure cannot be made from the existing appropriations, it shall not be incurred until the Meeting of States Parties has made the necessary appropriations or unless the Registrar certifies that provision can be made under the conditions of an applicable decision of the Meeting of States Parties relating to unforeseen and extraordinary expenses.] **[Neither the Tribunal nor its subsidiary bodies shall take a decision involving either a change in the budget approved by the Meeting of States Parties or the possible requirement of expenditure unless it has received and taken account of the statement of the Registrar on the budget implications of the proposal and the recommendations of the Finance Committee of the States Parties thereon.]** [68] | Regulation 13.2: Where, in the opinion of the Secretary-General, the proposed expenditure cannot be made from the existing appropriations, it shall not be incurred until the General Assembly has made the necessary appropriations, unless the Secretary-General certifies that provision can be made under the conditions of the resolution of the General Assembly relating to unforeseen and extraordinary expenses. | 13.3 Where, in the opinion of the Secretary-General, the proposed expenditure cannot be made from existing appropriations, it shall not be incurred until the Assembly has made the necessary appropriations. |
| **[13.2 Where, according to the recommendations of the Finance Committee of the States Parties, the proposed expenditure cannot be made from existing appropriations, the decision shall not be taken until the Meeting of States Parties has made the necessary appropriations.]** [69] | | |

| Draft Financial Regulations of the International Tribunal for the Law of the Sea (SPLOS/WP.14) | Financial Regulations of the United Nations (ST/SGB/Financial Rules/1/Rev.3 (1985) | Financial Regulations of the International Seabed Authority |
|---|---|---|
| REGULATION 14<br>General provisions | ARTICLE XIV. GENERAL PROVISIONS | |
| 14.1 These Regulations shall become effective on [ ... ] and shall apply to the financial period [...] and to subsequent financial periods. | Regulation 14.1: These Regulations shall become effective on 1 January 1974 and shall apply to the financial period 1974-1975 and to subsequent financial periods. They may be amended only by the General Assembly. | 14.1 These Regulations shall become effective on the date they are approved by the Assembly and shall apply to the financial period 2001-2002 and to subsequent financial periods. They may be amended only by the Assembly. |
| 14.2 These Regulations may be amended by the ~~Tribunal, taking into account the views of the~~ Meeting of States Parties **taking into account the views of the Tribunal.** | | |

*Notes*

[1] Germany (SPLOS/CRP.19).
[2] Proposal by the Tribunal.
[3] Germany (SPLOS/CRP.25).
[4] Proposal by the Tribunal.
[5] Ibid.
[6] Proposal by Ghana.
[7] Republic of Korea (SPLOS/CRP.18).
[8] Germany (SPLOS/CRP.19) pending agreement on the establishment of the Finance Committee.
[9] Proposal by the Tribunal.
[10] Germany (SPLOS/CRP.19).
[11] Proposal by the Tribunal.
[12] Germany (SPLOS/CRP.19).
[13] Consequential change. See note 27.
[14] Proposal by Guatemala and Nigeria.
[15] Germany (SPLOS/CRP.19).
[16] Proposal by the Tribunal.
[17] Consequential change. See note 27.
[18] Germany (SPLOS/CRP.19).
[19] Ibid.
[20] Proposal by the Tribunal.
[21] Consequential change. See note 27.
[22] Germany (SPLOS/CRP.19).
[23] Ibid.
[24] Ibid.
[25] Ibid.
[26] Ibid.
[27] Proposal by the United Kingdom.
[28] Proposal by Namibia and Trinidad and Tobago.
[29] European Community (SPLOS/CRP.16/Rev.1).
[30] Germany (SPLOS/CRP.19).
[31] European Community, Germany and Japan (SPLOS/CRP.24).
[32] European Community, Germany and Japan (SPLOS/CRP.24).
[33] Proposal by Italy.
[34] Germany (SPLOS/CRP.19).
[35] Ibid.
[36] Proposal by Italy.
[37] Germany (SPLOS/CRP.19).

[38] Ibid.
[39] Germany (SPLOS/CRP.25).
[40] Ibid.
[41] Proposal by China.
[42] Germany (SPLOS/CRP.19).
[43] Ibid.
[44] Ibid.
[45] Ibid.
[46] Proposal by the Tribunal.
[47] Germany (SPLOS/CRP.19).
[48] Ibid.
[49] Ibid.
[50] Ibid.
[51] Ibid.
[52] Ibid.
[53] Ibid.
[54] Ibid.
[55] Ibid.
[56] Proposal by the Tribunal.
[57] Proposal by China.
[58] Proposal by the Tribunal.
[59] Ibid.
[60] Germany (SPLOS/CRP.19).
[61] Consequential change. See note 27.
[62] Ibid.
[63] Proposal by the Tribunal.
[64] Consequential change. See note 27.
[65] Germany (SPLOS/CRP.19).
[66] Ibid.
[67] Consequential change. See note 27.
[68] Germany (SPLOS/CRP.19).
[69] Ibid.

# Annex to the Financial Regulations

## Additional terms of reference governing the audit of the International Tribunal for the Law of the Sea

Annex to the Fin Regs of the U.N.

1. The Auditor shall perform such audit of the accounts of the Tribunal, including all trust funds and special accounts, as it deems necessary in order to satisfy itself: "

   (a) That the financial statements are in accord with the books and records of the Tribunal; "

   (b) That the financial transactions reflected in the statements have been in accordance with the financial rules and regulations, the budgetary provisions and other applicable directives; "

   (c) That the securities and moneys on deposit and on hand have been verified by certificates received direct from the Tribunal's depositaries or by actual count; "

   (d) That the internal controls, including internal oversight, are adequate in the light of the extent of reliance placed thereupon. "

2. The Auditor shall be the sole judge as to the acceptance in whole or in part of certifications and representations by the Registrar and may proceed to such detailed examination and verification as it chooses of all financial records, including those relating to supplies and equipment. "

3. The Auditor and its staff shall have free access at all convenient times to all books, records and other documentation which are, in the opinion of the Auditor, necessary for the performance of the audit. Information which is classified as privileged and which the Registrar (or a designated senior official) agrees is required by the Auditor for the purposes of the audit and information classified as confidential shall be made available on application. The Auditor and its staff shall respect the privileged and confidential nature of any information so classified which has been made available and shall not make use of it except in direct connection with the performance of the audit. The Auditor may draw the attention of the Tribunal and the Meeting of States Parties to any denial of information classified as privileged which, in its opinion, was required for the purpose of the audit.

4. The Auditor shall have no power to disallow items in the accounts but shall draw the attention of the Registrar, for appropriate action, to any transaction for which it entertains doubt as to legality or propriety. Audit objections, to these or any other transactions, arising during the examination of the accounts shall be communicated immediately to the Registrar.

5. The Auditor (or such of its officers as it may designate) shall express and sign an opinion on the financial statements which shall read as follows:

> "We have examined the following appended financial statements, numbered ... to ..., properly identified, and relevant schedules

of the International Tribunal for the Law of the Sea for the financial period ended 31 December ……. Our examination included a general review of the accounting procedures and such tests of the accounting records and other supporting evidence as we considered necessary in the circumstances."

The opinion shall also state, as appropriate, whether:

(a) The financial statements present fairly the financial position as at the end of the period and the results of their operations for the period then ended;

(b) The financial statements were prepared in accordance with the stated accounting principles;

(c) The accounting principles were applied on a basis consistent with that of the preceding financial report;

(d) Transactions were in accordance with the Financial Regulations and legislative authority.

6. The report of the Auditor on the financial operations of the Tribunal for the financial period shall be submitted to the Meeting of States Parties through the Tribunal. It shall indicate:

(a) The type and scope of the Auditor's examination;

(b) Matters affecting the completeness and accuracy of the accounts, including, where appropriate:

(i) Information necessary to the correct interpretation of the accounts; "

(ii) Any amounts which ought to have been received but which have not been brought to account;

(iii) Any amounts for which a legal or contingent obligation exists and which have not been recorded or reflected in the financial statements;

(iv) Expenditures not properly substantiated;

(v) Whether proper books of accounts have " been kept - where in the presentation of statements there are deviations of a material nature from the generally accepted accounting principles applied on a consistent basis, these should be disclosed;

(c) Other matters which the Auditor considers " should be brought to the notice of the Meeting of States Parties, such as:

(i) Cases of fraud or presumptive fraud; "

(ii) Wasteful or improper expenditure of the " Tribunal's money or other assets, notwithstanding that the accounting for the transaction may be correct;

(iii) Expenditure likely to commit the " Tribunal to further outlay on a large scale;

(iv) Any defect in the general system or detailed regulations governing the control of receipts and disbursements or of supplies and equipment;

(v) Expenditure not in accordance with the intention of the Meeting of States Parties after making allowance for duly authorized transfers within the budget;

(vi) Expenditure in excess of appropriations as amended by duly authorized transfers within the budget;

(vii) Expenditure not in conformity with the authority which governs it;

(d) The accuracy or otherwise of the supplies and equipment records as determined by stock-taking and examination of the reports;

(e) If appropriate, transactions accounted for in a previous period concerning which further information has been obtained or transactions in a later period concerning which it seems desirable that the Meeting of States Parties should have early knowledge.

7. The Auditor may make such observations with respect to its findings resulting from the audit and such comments on the Registrar's financial report as it deems appropriate to the Meeting of States Parties, the Tribunal or the Registrar.

8. Whenever the scope of audit of the Auditor is restricted, or whenever it is unable to obtain sufficient evidence, it shall refer to the matter in its opinion and report, making clear in the

report the reasons for its comments and the effect on the financial position and the financial transactions as recorded.

9. In no case shall the Auditor include criticism in its report without first affording the Registrar an adequate opportunity of explanation on the matter under observation.

10. The Auditor shall not be required to mention any matter referred to in the foregoing that, in its opinion, is insignificant in all respects.

---